

AHR Board of Director's Meeting – February 2012

TOPICS	DISCUSSION
	The February 1, 2012, meeting was called to order by President, Brian Mitteer, at 8:05 p.m. (EST). Attending were: Andrew Yoder, Gary Leisure, Chuck Hendershot, Dean Baker, Bill Jameson, Kim Spann and Ruth Schwab (office consultant).
I. Old Business (Review of the minutes of previous meetings)	
II. Office Update – Ruth Schwab	For the month of January 2012 we completed 95 foal registrations and 78 transfers. There are 161 stallions renewed so far for 2012. We currently have 583 members and 103 current magazine subscribers. Renewal reminders were included with the Feb/Mar issue of the magazine to all those that have not yet renewed. Magazine subscription reminders are being sent from the office.
III. Committee Reports	
1. AHR Youth	Rachel Cooper and Dave Wilson - Co-Chairs Members: Carolyn Sutton, Aileen Ayers and Sue Casseday (office consultant) We sent out a newsletter and are working on the next one. Also, Rachael is working on a new website for the youth that she is going to link to Facebook as a place for the youth to get together, share thoughts, post pictures, etc. Hopefully, next month, there will to report on this by the next meeting.
2. By-Laws	Bill Jameson – Chair Members: Willie Lehman and Christopher Miller Nothing new to report.
3. Classification	Bill Hendershot - Chair Members: John Dunkel, Jennifer Rousseau, Kim Spann, Robert Eicher and Chuck Hendershot 1. Thanks to Ruth, a yahoo group has been set up for simplified communications between the members. Robert Eicher is being kept in the loop via fax. 2. We received a request for a re-measurement of a cannon bone on a mare inspected at the New York Gold Classic. The request has been reviewed by the committee. All back up data has been checked and it appears to be a clerical error. A solution has been prepared for response to the mare owner. We are awaiting final approval of the committee. 3. Each committee member has been asked to review the inspection and classification program and present their thoughts and ideas for improvement. These ideas will be reviewed and prioritized by the committee and a plan developed for presentation to the board. 4. A second request is being submitted to the board for their thoughts and ideas to be included in the review. Gary Leisure inquired whether there will be a classification in Ohio this year. The Board supports the idea of having one site in 2012. The Chair will contact Robert Eicher to determine if Ohio is interested in hosting a classification along with proposed date and location.
4. Disposition and Trainability Assessment Committee	Dean Baker – Chair Members: Bob Duvall, Steve Verhoff and Lloyd Workman Dean Baker request that Robert Eicher and Peg Brown be added to the membership of the committee.

	<p>Motion made by Chuck Hendershot Motion seconded by Bill Jameson Motion passed.</p>
<p>5. Finance</p>	<p>Chuck Hendershot – Chair Members: Deborah Parker, Terry Schott, Robert Bade, Ruth Schwab (office consultant) and Sue Casseday (office consultant)</p> <p><u>January 2012 Financials</u> With the February Board meeting taking place on the first of the month, we have not had a chance to even complete a preliminary close for January 2012; therefore, the January financials will be presented at the March meeting. After the books are closed for the month, if there is any material deviation from the budget or expectation, the Treasurer and the Finance Committee will provide a separate detailed report to the Board.</p> <p><u>Year-end 2011 Financials</u> Attached are three spreadsheets providing an overview of the financial results for 2011. The remainder of this report will discuss each of these reports covering the highlights of 2011 and identifying issues that need to be discussed by the board and the individual committees associated with any of the specific programs.</p> <p><u>BALANCE SHEET</u> Overall the financial condition of the organization has not materially changed since December of 2010. Our cash position remains strong and, even excluding our certificate of deposit with the USDA, our current assets are nearly double our current liabilities. During the year we collected the receivables on the books in December and transferred the \$7,850 owed to the Youth Foundation to their accounts. Our primary liabilities are Deferred Revenue and DNA Testing which represent a commitment to provide future services to our members. In the future we will modify the presentation of the balance sheet to reflect the USDA certificate of deposit as a non-current asset since AHR can not access these funds as long as we continue to have sales.</p> <p><u>Actions to complete 2011 Financial Closing</u></p> <p>The following accounts are being analyzed as part of the year-end closing process. We expect to complete these analyses and finalize the year-end results before the end of March 2012.</p> <ul style="list-style-type: none"> • Inventory Assets – this account represents the goods held for sale in the AHR store. The AHR staff has completed a count of the inventory and reviewed the items for damage. We are currently in the process of matching the items to invoices to the extent possible, identifying slow moving items, deciding how to address the slow moving items and making any adjustment to the inventory balance required as a result of this review. • Fixed Assets – we are performing a detailed review of this account to determine that all assets exist and are in operation and that the accumulated depreciation has been properly recorded. Additionally, we will determine the proper level of depreciation expense to be recorded in the future. • Deferred Revenue – this account represents membership dues that have not been earned. Primarily, the balance is the dues received in 2011 for 2012, lifetime memberships and any dues paid for years after 2011. • DNA Testing- this account reflects payments received for DNA test kits purchased by Haflinger owners. We are reviewing the account to make sure that the balance is properly supported. <p><u>PROFIT AND LOSS COMPARED TO PRIOR YEAR</u> The American Haflinger Registry completed 2011 with a small profit from continuing operations of \$1,268. This is a significant improvement over the loss of \$5,854 reported in 2010. However, the 2011 figure is subject to change based on the analysis of the balance sheet items discussed above. Additionally, all is not good because AHR's revenues declined again by 12% to \$271,274 from \$308,579 in 2010. The primary reasons for the decline are summarized below.</p>

- Membership Dues \$8,782 - Memberships continue to decline
- Registration Income \$5,580 - Fewer registrations as breeding declines
- Spring Tack Sale \$4,660 - Lower prices and fewer items
- Transfers Income \$4,130 - Fewer transfers – continuation of decline
- Magazine Income \$3,878 - Less advertising income
- Promotion Sales \$3,578 - Fewer sales from AHR store
- Stallion Licenses \$2,090 - Fewer stallion licenses

The total of the decline in revenue from these items is \$36,643. Several of the line items will be helped by a recovery in the price of horses in general as the economy recovers. However, AHR membership has been on a multi-year decline despite an increase in the number of Haflinger owners. We need to reverse this trend and focus a significant amount of the board's attention in 2012 on increasing our penetration of the current Haflinger owners and attracting them to membership in AHR.

The improvement in financial results for 2011 was primarily driven by expense management by the board and the AHR staff. The cost of goods sold for items from the AHR store declined \$1,755 to \$4,163 based on the mix of the items sold during the year. Although the dollar declined year over year, the cost as a percent of sales increased, which is a concern as our inventory ages. We will have a better idea of our situation with the completion of the inventory. Operating expenses for 2011 were reduced \$42,672 (13.8%) from 2010 to a total of \$265,843. The primary reasons for the reduction in expenses are summarized below.

- AHR Staff Wages \$8,669 - Reduction in office support to 4 days per week
- Magazine Costs \$7,648 - Reduction in number published and pages per issue
- Spring Sale \$6,656 - Cost management at the sale
- Computer Maintenance \$6,532 - Primary luck and a deferral of expenses as nothing broke
- Contract Employee \$2,547 - Board action to discontinue advertising sales report
- National Show \$2,523
- Office Expenses/Supplies \$1,907 - AHR staff cost management

These expenses reductions were partially offset by increases in the state unemployment taxes and classification expenses from extra judge and judge travel costs to west coast inspection.

PROGRAMS PERFORMING OUTSIDE EXPECTATIONS

Haflinger Fall and Spring Sales -The Sales Committee did an outstanding job in 2011. Despite a decline in total revenue of \$4,600, the committee managed its expenses and increased its contribution to AHR operations by \$2,000. The spring and fall sales including the fun auction and tack sale provided AHR with \$10,500 of operating capital.

Classification Program – Although the overall results were limited to a loss for the year of \$265, the increased expenses for the Oregon classification more than offset the profit generated by the New York classification. Because of the location of our judges, primarily in the Mid-Atlantic region, the costs for a classification outside of this area are significantly higher. The Board should require the Classification Committee to develop a long-term plan to address this cost structure issue, providing fair treatment of all Haflinger owners.

PROFIT AND LOSS COMPARED TO BUDGET

Our 2011 performance significantly exceeded our budget results. The full year revenue exceeded budget by \$7,300, primarily due to an increase in transfer revenues from what was expected in the budget. Although transfers were down year over year in 2011 the decline was less than expected in our operating plan. Let's hope this is a trend but it is too soon to tell. Total expenses, including cost of goods sold, were \$4,200 below budget. The primary drivers for this performance are staff wages, which were \$5,300 less than expected since Sue continued to work only four days per week in the fall, increasing our savings from expectations and magazine expenses, which were \$5,500 below expectations primarily from a reduction in pages in each issue, the number of copies printed and the corresponding savings in postage costs. The overall result is a

	<p>profit of \$1,300 versus a budgeted loss of \$10,300. A job well done for 2011 based on the economy we faced; however, we still have much to do to get back on track to financial stability that will allow us to promote the Haflinger and support our members in the breeding, training and sales.</p>
6. Futurity – SIP	<p>Paul Sutton – Chair Members: Mahlon Miller, Bill Jameson and Ruth Schwab (office consultant)</p> <p>Nothing new to report.</p>
7. Judges	<p>Chuck Hendershot – Chair Members: Bill Hendershot, Jacque Woodward, Lisa Schott, Bill Jameson, Karen LaBell, and Ray Miller</p> <p>There was limited activity in this committee in January 2012. The committee activity and involvement will increase in February.</p> <p><u>New Judges</u> We received one new expression of interest in our judges program. A letter summarizing additional data required to complete the application has been sent to the interested party. Once this information is received, the applicant data will be shared with the Judges Committee for review.</p> <p><u>Review of Judge List</u> We completed a review of the prior judges list to identify judges that were previously accredited by AHR as senior judges. This list will be circulated to the judges committee this week with the idea of sending these individuals a letter to determine their interest in being reconsidered for our judges list.</p> <p><u>'C' Judge List Modification</u> The website listing of classification judges has been updated. John Dunkel should be added as a 'C' judge and Joel Greenisen should be removed from the list.</p>
8. Membership	<p>Dean Baker – Chair Member: Mike Williams, Emily Gibson and John Welk.</p> <p>Nothing new to report.</p>
9. National Show	<p>Lou Sutton – Chair Members: Bill Jameson, Steve Verhoff, Carolyn Sutton, Tara Biedenbach, Rachael Cooper and Ruth Schwab (office consultant and show manager)</p> <p>We are in the process of hiring Judges.</p>
10. Nominating	<p>Paul Sutton – Chair Members: Betty Miller, Judy Winkler and Kim Spann</p> <p>Nothing new to report.</p>
11. Pedigree	<p>Brian Mitteer – Chair Members: Dave Kraus, Kim Spann and James Weaver</p> <p>Information was received from a breeder and distributed to the board regarding concerns raised in the sale and transfer of a horse. The Board will address this issue at the next meeting once all members have had an opportunity to reviews the case.</p>
12. Personnel/Office	<p>Brian Mitteer – Chair Members: Gary Leisure, Chuck Hendershot and Carolyn Sutton</p> <p>As of February 10th, Sue Casseday will have been with AHR for eight years.</p>
13. Points/Awards	<p>Dana Mitteer– Chair Members: Rachael Cooper, Steve Verhoff and Brian Mitteer</p> <p>Discussion is ongoing regarding programs for lesson horses and hunter paces.</p>

<p>14. Promotions/ Advertising/Regional Support</p>	<p>Dave Kraus – Chair Members: Mike Williams, Mariana Abbott and Brian Vannarsdall</p> <p>A request for \$250 was submitted on behalf of the Ohio Haflinger Association members who will be attending the Ohio Equine Affaire</p>
<p>15. Publications</p>	<p>Gary Leisure – Chair Members: Emily Gibson, Paul Sutton, Kim Spann, and Ruth Schwab (office consultant)</p> <p>The February/March issue is complete and has been mailed.</p>
<p>16. Sales</p>	<p>Dave Wilson – Chair Members: Phil Greenisen and Andrew Yoder</p> <p>Consignment opens March 1st for the AHR Spring Sale. Consignment forms were included with the February/March 2012 edition of Haflinger Horse. Forms are also available from the AHR website or by calling the office. It is planned to create a flyer advertising the sale which will be distributed at the Ohio Equine Affaire.</p>
<p>17. Video Committee</p>	<p>Gary Leisure – Chair Members: Paul Sutton and Emily Gibson</p> <p>Nothing new to report.</p>
<p>18. Website</p>	<p>Emily Gibson – Chair Members: Gary Leisure and Ruth Schwab (office consultant)</p> <p>The website continues to be a valuable source of information for Haflinger enthusiasts. For the month of January, the home page had 3000 visitors. The classified page (1227), farm list page (867), and the pedigree search page (873) continue to be the next most frequently visited pages.</p>
<p>19. World Federation</p>	<p>Chuck Hendershot – Chair Members: Jennifer Rousseau and Kim Spann</p> <p><u>World Haflinger Federation Committee Meeting</u></p> <p>The WHF Committee (Board) which consists of the president and four vice-presidents of the organization will meet the week of February 20th 2012 in Austria. The primary focus of the meeting will be to plan the General Assembly meeting and international judges training programs that are being planned for either June or July in Europe. Two sites which are under consideration for the meetings are the Czech Republic in June or Belgium in July. Additional, discussions for the committee meeting include daily operations of the WHF, a new website that is focused only on the WHF, without the Tyrolean Breeders Association, and a newsletter that would include input from all of the member federations. Information concerning the events and actions from this meeting should be available for the March AHR Board meeting.</p> <p>I have notified our regional vice-president and the WHF President that our preference for the meetings would be the first week of June in the Czech Republic. Although I also let both parties know that both dates were in the middle of our show season.</p> <p><u>International Judges</u></p> <p>The United States has one accredited international judge – Jennifer Rousseau. Jennifer is scheduled to attend the training session this year to meet the International Judge Accreditation requirements. The US does not have any judges currently in the international judge training program.</p>
<p>I. V. New Business</p>	
	<p>Moved by Chuck Hendershot seconded by Andrew Yoder and approved that the meeting be adjourned at 9:11 p.m. The next meeting date is Wednesday, March 7, 2012.</p>